



DEPARTMENT OF STATE
BRIEFING MEMORANDUM

S/S

March 28, 1974

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TO: The Secretary

FROM: S/WF - Ambassador Edwin M. Martin

US Position for World Food Conference

I. Summary

The basic concept underlying US initiatives in the World Food Conference is that over the next ten years world needs for basic foods may well put greater pressure than in the post-war years on world production capacity. This prospect must be viewed against the recent depletion of world grain stocks. In order not only to maintain nutritional levels but also to improve those of persons now undernourished, it therefore becomes necessary to step up present national and international efforts to increase food production. We must also be better prepared to avoid excessive price increases and to maintain adequate consumption levels in the face of the fluctuations in food production which are the inevitable result of unpredictable weather, other natural disasters, public disorders, etc. Steps toward achieving these objectives should result in a wider sharing of present heavy U.S. responsibility for stocks and food aid and better market access for US food exports.

II. I propose to spell out the US concept for the World Food Conference under the main headings of the Agenda for the Conference which, though still provisional, will probably be adopted without substantial change.

1. Assessment of Present Situation and its Causes

Though the data on how many people are undernourished and by how much are unreliable, there is no doubt that at least several hundred million people don't get enough to eat. The most serious situation is that of pregnant and nursing mothers and infants between weaning and about three years. Inadequate nutrition for these groups, especially protein shortages, appears to cause lifelong and irreversible loss of physical and mental capacity.

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The causes are various, but include inadequate income, unavailability of the right foods, undesirable traditional eating habits, and absence of information about proper diet.

In most developed countries, the current problem is the unusually high cost of most food, though considerable malnutrition also exists, including in the United States.

2. Assessment of Future Prospects

To get a better fix on short-term prospects, the US proposed at the First PrepCom that one conclusion of the WFC should be to improve the flow of data on basic food stocks and crop prospects to a central point where they could be carefully analyzed to provide better early-warning of major food shortages than we have had to date. I foresee no opposition to this except perhaps from the USSR and PRC.

Over the longer term, it seems likely that various factors will combine to raise food demand over the next ten years at a rate of at least 4% per annum and for grain somewhat more. These include world population growth at 75-80 million people a year, rising incomes, expanding demand for meat (7 lbs. of grain = 1 lb. of beef), and better diets for those still very poor.

On the supply side, there are many uncertainties. While we can count on further improvements in technology, their application has in past spread slowly, especially in developing countries where there still are the biggest gaps between average yields and those achieved by "good farmers". Increasing the land-water availability for food production is steadily more costly. Weather is still uncontrollable and not even reliably predictable. Nor can major help be counted on soon from "artificial" foods or food fortification. The major source of expanded grain supply in the next few years is apt still to be North America.

3. Measures for Increasing Food Production and Consumption in Developing Countries

At the First Preparatory Committee Meeting, the US suggested that in addition to expanding output, the cost-efficiency with which food was produced and distributed was as important as the amount produced. Only by improved efficiency is it possible to reconcile the conflicting needs to improve farmers' incomes and to enable the undernourished consumer to eat better without spending more of his income

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on food. We stressed the importance of distribution costs -- wasteful transport and storage facilities and inefficient marketing systems.

4. Strengthening World Food Security through Stockholding Emergency Relief and Food Aid

On stockpiling, the US position is still in a preliminary stage. An international program in this field raises many difficult issues of international and domestic politics, as well as hard technical ones. However, there is US agreement that food stockpiles should be held by both exporting and importing countries (especially Japan, USSR and EC countries), taking off the US the main responsibility for financing them, and that they should be national rather than international under internationally agreed guidelines on whose implementation governments should exchange full information and have frequent consultations.

The US position on food aid is also still under inter-departmental discussion, but again it is clear that we wish other donors to assume a larger share of its financing.

On both stockpiling and food aid, the US approach is to seek agreement at the WFC on general guiding principles with the specifics of firm undertakings to be worked out in the MTN, FAO or other appropriate bodies.

5. International Trade and International Agricultural Adjustment

The US hopes that the WFC will agree that there is need for expansion of world trade in basic foods through reduction of obstacles to their import and export and will register its wish that the MTN would be able to make progress along these lines.

III. Preparatory Problems

Two points deserve mention:

1. In respect to the goal of increasing production and consumption in developing countries, your initiative on the WFC has apparently encouraged some developing countries to feel that the US was willing to commit important new resources to help them improve their situations. We do not yet have a response to this hope.

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2. I wish to repeat a little more strongly the concern expressed in my memorandum to you of January 18 that, even with average or better weather this year, by November the food situation and the prospects for 1975 could be so serious in a number of developing countries, especially in South and Southeast Asia, accentuated by the scarcity of nitrogen fertilizers, that the main concern of the WFC may have to be where to find grain and fertilizer to prevent a major disaster. It is essential that the US follow developments closely over the next six months and be prepared to take new types of initiatives if necessary to prevent a famine from developing.

An NSC Task Group on the International Fertilizer Situation is now meeting weekly to seek ways to improve near-term availability of nitrogen fertilizers to developing countries. It is too soon to predict what we can achieve. S/P and my office are planning to bring a group of outside experts together shortly to get their assessments of the food supply outlook.

While there is a considerable range of uncertainty on how serious the food shortage in developing areas may be in the 74-75 period, even with average weather, I think that if US harvests are close to the present Department of Agriculture high figures, we may find it prudent to set aside a reserve for emergencies rather than permitting it all to be exported commercially, as will probably be possible. A Department of Agriculture paper on US stockpiling policy is now being considered by an inter-departmental committee, chaired by EB. Among its five options are one or two which would permit such acquisitions, though they may not be ones preferred at present by some top Agriculture officials.

I shall keep you informed on progress on both these points, as well as any new ideas we can uncover.

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